

COMPARISON OF TAX CREDITS FOR HOMEOWNERS

Product Category	Product Type	Federal Tax Credit Specification	Montana Tax Credit Specification	Federal Tax Credit	Montana Tax Credit	Federal Notes	Montana Notes
Windows & Doors	Exterior Windows and Skylights	U factor <= 0.30 SHGC <= 0.30	<b>For investments in products installed prior to July 1, 2010</b> <i>Replacement</i> – higher energy rating than window or skylight being replaced <i>New construction</i> exterior windows – U factor <=0.35 all ENERGY STAR labeled qualify skylights – U factor <=0.60 all ENERGY STAR labeled qualify <b>For investments in products installed on or after July 1, 2010</b> U factor <= 0.30 SHGC <= 0.30	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	Not all <a href="#">ENERGY STAR labeled windows and skylights</a> qualify for tax credit. <a href="#">More information</a>	Unlike the federal credit, the Montana credit: <ul style="list-style-type: none"><li>• is allowed for installation in dwellings, not only the taxpayer's principal residence</li><li>• includes installation costs</li></ul>
	Storm Windows	Meets <a href="#">IECC<sup>1</sup></a> in combination with the exterior window over which it is installed, for the applicable climate zone	<b>For investments in products installed prior to July 1, 2010</b> The addition or replacement of any storm window <b>For investments in products installed on or after July 1, 2010</b> In combination with the exterior window over which it is installed has a U-factor and SHGC of 0.30 or below	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	<a href="#">Manufacturer Certification Statement<sup>3</sup></a> will list classes of exterior window (single pane, clear glass, double pane, low-E coating, etc.) <sup>4</sup> that a product may be combined with to be eligible in specific climate zones.	Unlike the federal credit, the Montana credit: <ul style="list-style-type: none"><li>• is allowed for installation in dwellings, not only the taxpayer's principal residence</li><li>• includes installation costs</li></ul>
	Exterior Doors	U factor <= 0.30  SHGC <= 0.30	<b>For investments in products installed prior to July 1, 2010</b> <i>Replacement</i> – an insulated door with a higher energy rating than the exterior door being replaced <i>New construction</i> U factor <=0.35 all ENERGY STAR labeled qualify <b>For investments in products installed on or after July 1, 2010</b> U factor <= 0.30 SHGC <= 0.30	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	Not all <a href="#">ENERGY STAR doors</a> will qualify. <a href="#">More information</a>	Unlike the federal credit, the Montana credit: <ul style="list-style-type: none"><li>• is allowed for installation in dwellings, not only the taxpayer's principal residence</li><li>• includes installation costs</li></ul>
	Storm Doors	In combination with a wood door assigned a default U-factor by the <a href="#">IECC<sup>1</sup></a> , and does not exceed the default U-factor requirement assigned to such combination by the IECC	<b>For investments in products installed prior to July 1, 2010</b> The addition or replacement of any storm door <b>For investments in products installed on or after July 1, 2010</b> In combination with a wood door over which it is installed has a U-factor and SHGC of 0.30 or below	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>		Unlike the federal credit, the Montana credit: <ul style="list-style-type: none"><li>• is allowed for installation in dwellings, not only the taxpayer's principal residence</li><li>• includes installation costs</li></ul>
Roofing	Metal Roofs, Asphalt Roofs	All ENERGY STAR qualified metal and reflective asphalt shingles	NO MONTANA CREDIT	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	NO MONTANA CREDIT	All <a href="#">ENERGY STAR metal and asphalt roofs</a> qualify for the tax credit.  Must be expected to last 5 years OR have a 2 year warranty.	NO MONTANA CREDIT
Insulation	Building	Meets 2009 IECC & Amendments	<i>Improvements--</i> No minimum standards for insulation that is not part of new construction <i>New construction--</i> ceilings – R-49 crawlspace walls -- R-20 exterior walls -- R-21 finished basement walls – R-11 floors over unconditioned spaces – R-21 slab perimeter area four feet vertical or horizontal - R-13	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	For insulation to qualify, its primary purpose must be to insulate (example: insulated siding does not qualify). Must be expected to last 5 years OR have a 2 year warranty Check to see if you have <a href="#">Home Performance with ENERGY STAR</a> in your areas. Adding insulation to your home is covered.	Unlike the federal credit, the Montana credit: <ul style="list-style-type: none"><li>• is allowed for installation in dwellings, not only the taxpayer's principal residence</li><li>• includes installation costs</li></ul>
	Caulking and weather stripping	NO FEDERAL CREDIT		NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	Caulking and weather stripping that are a standard component in the construction or maintenance of the structure such as in a log home do not qualify.
	Pipes, ducts and tanks	NO FEDERAL CREDIT	Insulation of heating and air conditioning pipes, insulation and sealing of heating, ventilation, and air conditioning ducts, and insulation of hot-water heaters and tanks	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	

Lighting	Fixtures	NO FEDERAL CREDIT	Replacement of incandescent light fixtures with light fixtures of a more efficient type such as those with electronic ballast and compact or linear fluorescent lamps and LED lights	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	
	Controls	NO FEDERAL CREDIT	Lighting controls with cutoff switches to permit selective use of lights	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	
HVAC	Central A/C	<p><i>Split Systems:</i> EER &gt;=13 SEER &gt;= 16</p> <p><i>Package systems:</i> EER &gt;= 12 SEER &gt;= 14</p>	<p><b>For investments in products installed prior to July 1, 2010</b>  <i>Replacement –</i>            If a central air conditioning system is replaced with another central air conditioning system, the replacement must have a higher energy rating than the system being replaced.            If window conditioners are being replaced with a central air conditioning system, the central air conditioning system must meet the new construction standards below.  <i>New construction--</i>  <i>Split Systems:</i>            SEER &gt;=13  <i>Package systems:</i>            SEER&gt;=12</p> <p><b>For investments in products installed on or after July 1, 2010</b>  <i>Split Systems:</i>            EER &gt;=13            SEER &gt;= 16  <i>Package systems:</i>            EER &gt;= 12            SEER &gt;= 14</p>	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	<p>25% of cost, up to <a href="#">\$500<sup>6</sup></a></p> <p>Prior to July 1, 2010, if window conditioners are being replaced with a central air conditioning system, only the cost of exceeding current IECC construction standards adopted by the Department of Labor and Industry qualify for the credit. For central air conditioning units installed on or after July 1, 2010 meeting the specifications listed above, the entire cost of the installation qualifies for the credit.</p>	<p>For a list of qualified products, go to the <a href="#">Consortium for Energy Efficiency product directory</a>, click on Air Conditioners, then in the "CEE Tier" enter "Residential Advanced Tier 3" for CAC Split Systems, and "Residential Tier 2" for CAC Package Systems and ASHPs. Note — not all ENERGY STAR products will qualify for the tax credit. <a href="#">View ENERGY STAR criteria</a>.</p>	Unlike the federal credit, the Montana credit is allowed for installation in dwellings, not only the taxpayer's principal residence.
	Air Source Heat Pumps	<p><i>Split Systems:</i> HSPF &gt;= 8.5 EER &gt;= 12.5 SEER &gt;= 15  <i>Package systems:</i> HSPF &gt;= 8 EER &gt;= 12 SEER &gt;= 14</p>	<p><b>For investments in products installed prior to July 1, 2010</b>  <i>Split Systems:</i>            HSPF &gt;= 8.2            EER &gt;= 12            SEER &gt;= 14.5  <i>Package systems:</i>            HSPF &gt;= 8            EER &gt;= 11            SEER &gt;= 14</p> <p><b>For investments in products installed on or after July 1, 2010</b>  <i>Split Systems:</i>            HSPF &gt;= 8.5            EER &gt;= 12.5            SEER &gt;= 15  <i>Package systems:</i>            HSPF &gt;= 8            EER &gt;= 12            SEER &gt;= 14</p>	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>		Unlike the federal credit, the Montana credit is allowed for installation in dwellings, not only the taxpayer's principal residence.
	Natural Gas or Propane Furnace	AFUE >= 95	<p><b>For investments in products installed prior to July 1, 2010</b>  <i>Replacement</i>            The replacement must have a higher energy rating than the furnace being replaced.            If the replacement furnace is of a different style or type, the replacement furnace must exceed the new construction standards below.  <i>New construction</i>            AFUE &gt;= 90</p> <p><b>For investments in products installed on or after July 1, 2010</b>            AFUE &gt;= 95</p>	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	<p>25% of cost, up to <a href="#">\$500<sup>6</sup></a></p> <p>Prior to July 1, 2010, if the replacement furnace is of a different style or type, only the cost of exceeding current IECC construction standards adopted by the Department of Labor and Industry qualify for the credit. For furnaces installed on or after July 1, 2010 meeting the specifications listed above, the entire cost of the installation qualifies for the credit.</p>	<p>For a list of qualifying products go to the <a href="#">Air-Conditioning, Heating, and Refrigeration Institute (AHRI)</a></p> <p>Not all ENERGY STAR products will qualify for the tax credit. View ENERGY STAR criteria for <a href="#">furnaces</a>, <a href="#">boilers</a>.</p>	Unlike the federal credit, the Montana credit is allowed for installation in dwellings, not only the taxpayer's principal residence.

	Oil Furnace	AFUE >= 90	<b>For investments in products installed prior to July 1, 2010</b> <i>Replacement</i> The replacement must have a higher energy rating than the furnace being replaced. If the replacement furnace is of a different style or type, the replacement furnace must exceed the new construction standards below. <i>New construction</i> AFUE >= 90  <b>For investments in products installed on or after July 1, 2010</b> AFUE >= 90	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to \$500 <sup>6</sup>  Prior to July 1, 2010, if the replacement furnace is of a different style or type, only the cost of exceeding current IECC construction standards adopted by the Department of Labor and Industry qualify for the credit. For furnaces installed on or after July 1, 2010 meeting the specifications listed above, the entire cost of the installation qualifies for the credit.		Unlike the federal credit, the Montana credit is allowed for installation in dwellings, not only the taxpayer's principal residence.
	Gas, Propane, or Oil Hot Water Boiler	AFUE >= 90	<b>For investments in products installed prior to July 1, 2010</b> <i>Replacement</i> The replacement must have a higher energy rating than the boiler being replaced. If the replacement boiler is of a different style or type, the replacement must exceed the new construction standards below. <i>New construction</i> AFUE >= 80  <b>For investments in products installed on or after July 1, 2010</b> AFUE >= 90	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>  Prior to July 1, 2010, if the replacement boiler is of a different style or type, only the cost of exceeding current IECC construction standards adopted by the Department of Labor and Industry qualify for the credit. For boilers installed on or after July 1, 2010 meeting the specifications listed above, the entire cost of the installation qualifies for the credit.		Unlike the federal credit, the Montana credit is allowed for installation in dwellings, not only the taxpayer's principal residence.
	Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use. <a href="#">Read this FAQ if the fan qualifies, but the furnace does not.</a>	<i>Improvements--</i> No Montana credit  <i>New Construction –</i> Exceed building code standard	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>		
	Exhaust fans	NO FEDERAL CREDIT	Exhaust fans used to reduce air conditioning requirements	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	
	Thermostats	NO FEDERAL CREDIT	Programmable thermostats	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	
	Heat Recovery Ventilators	NO FEDERAL CREDIT	CSA C439-00 standard HVI certified product	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	CSA C439-00 contains the standard laboratory method of tests for rating the performance of heat/energy recovery ventilators HVI means the Home Ventilating Institute
	Glass Fireplace Doors	NO FEDERAL CREDIT	No minimum standards	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	Must be installed on an existing conventional fireplace
	Hot Water Flow Limitation Devices	NO FEDERAL CREDIT	No minimum standards	NO FEDERAL CREDIT	25% of cost, up to <a href="#">\$500<sup>6</sup></a>	NO FEDERAL CREDIT	
Water Heaters	Gas, Oil, Propane Water Heater	Energy Factor >= 0.82 or a thermal efficiency of at least 90%.	<b>For investments in products installed prior to July 1, 2010</b> <i>Replacement</i> The replacement must have a higher energy rating than the water heater being replaced. If the replacement water heater is of a different style or type, the replacement must meet the new construction standards below. <i>New construction</i> <i>Indirect</i> high efficiency with a minimum of 2 inches of foam insulation <i>Demand or instantaneous gas-fired</i> 0.82 or greater energy factor and electronic ignition  <b>For investments in products installed on or after July 1, 2010</b> Energy Factor >= 0.82 or a thermal efficiency of at least 90%.	30% of cost, up to <a href="#">\$1,500<sup>2</sup></a>	25% of cost, up to <a href="#">\$500<sup>6</sup></a>  Prior to July 1, 2010, if the replacement water heater is of a different style or type, only the cost of exceeding current IECC construction standards adopted by the Department of Labor and Industry qualify for the credit. For water heaters installed on or after July 1, 2010 meeting the specifications listed above, the entire cost of the installation qualifies for the credit.	All <a href="#">ENERGY STAR gas tankless water heaters</a> will qualify. There are currently no ENERGY STAR qualified gas storage tank or gas condensing water heaters that qualify. <a href="#">View ENERGY STAR criteria for water heaters.</a> For a partial list of qualifying products go to the <a href="#">Air Conditioning, Heating, and refrigeration Institute (AHRI)</a>	Unlike the federal credit, the Montana credit is allowed for installation in dwellings, not only the taxpayer's principal residence.

	Electric Heat Pump Water Heater	Same criteria as ENERGY STAR: Energy Factor >= 2.0	NO MONTANA CREDIT prior to July 1, 2010  <b>For investments in products installed on or after July 1, 2010</b> Same criteria as ENERGY STAR: Energy Factor >= 2.0	30% of cost, up to \$1,500 <sup>2</sup>	NO MONTANA CREDIT prior to July 1, 2010  <b>For investments in products installed on or after July 1, 2010</b> 25% of cost, up to <a href="#">\$500</a> <sup>6</sup>	All <a href="#">ENERGY STAR electric heat pump water heaters</a> qualify for the tax credit.	NO MONTANA CREDIT prior to July 1, 2010  <b>For investments in products installed on or after July 1, 2010</b> Same criteria as ENERGY STAR: Energy Factor >= 2.0
Biomass Stove	Biomass Stove	Stove which burns <a href="#">biomass fuel</a> <sup>5</sup> to heat a home or heat water.  Thermal efficiency rating of at least 75% as measured using a lower heating value.	The following qualify for the Montana credit: 1. any appliance that uses wood pellets as its primary source of heat (no minimum standards) 2. a wood burning appliance that is <a href="#">certified by the EPA pursuant to 40 CFR 60.533</a> 3. a wood burning appliance that is qualified for the phase 2 white tag under EPA method <a href="#">28 OWHH for outdoor hydronic heaters</a> 4. a masonry heater constructed or installed in compliance with the International Residential Code for One- and Two-Family Dwellings	30% of cost, up to <a href="#">\$1,500</a> <sup>2</sup>	Cost up to <a href="#">\$500</a> <sup>7</sup>		
Geo-Thermal Heat Pump	Geo-Thermal Heat Pump	Same criteria as ENERGY STAR: Closed Loop: EER >= 14.1 COP >= 3.3  Open Loop: EER >= 16.2 COP >= 3.6  Direct Expansion: EER >= 15 COP >= 3.5	Montana has no minimum heat pump standards. The state provides a geothermal system credit for installation of a geothermal system, defined as a system that transfers energy either from the ground, by way of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a residential building.	30% of the cost	Geothermal system credit for the cost up to <a href="#">\$1,500</a> <sup>7</sup> for installation of a geothermal system that includes a heat pump. Alternative energy system credit for the cost up to <a href="#">\$500</a> <sup>7</sup> for installation of geothermal system in the taxpayer's principal residence	All <a href="#">ENERGY STAR geo-thermal heat pumps</a> qualify for the tax credit. Use <a href="#">IRS Form 5695</a> Must be " <a href="#">placed into service</a> " before December 31, 2016.	Montana provides a credit of up to \$1,500 for (1) a taxpayer's installation of a geothermal system in their principal residence and (2) a contractor's installation of a geothermal system when constructing a residence for sale.  The state also provides an alternative energy system credit of up to \$500 for installation of an alternative energy system, which includes a geothermal system.  A taxpayer may not claim both credits for installation of a geothermal system.
Solar Energy Systems	Solar Water Heating	At least half of the energy generated by the "qualifying property" must come from the sun. Homeowners may only claim spending on the solar water heating system property, not the entire water heating system of the household. The credit is not available for expenses for swimming pools or hot tubs. The water must be used in the dwelling. The system must be certified by the Solar Rating and Certification Corporation (SRCC).	Montana has no minimum solar energy system standards.	30% of cost	Cost up to <a href="#">\$500</a> <sup>7</sup>	All <a href="#">ENERGY STAR solar water heaters</a> qualify for the tax credit. Use <a href="#">IRS Form 5695</a> Must be <a href="#">placed in service</a> before December 31, 2016.	The solar energy system must be installed in the taxpayer's principal residence.
	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	Montana has no minimum photovoltaic system standards.	30% of cost	Cost up to <a href="#">\$500</a> <sup>7</sup>	Use <a href="#">IRS Form 5695</a> Must be <a href="#">placed in service</a> before December 31, 2016.	The photovoltaic system must be installed in the taxpayer's principal residence.
Small Wind Energy Systems	Residential Small Wind Energy Systems		Montana has no minimum small wind energy system standards	30% of cost	Cost up to <a href="#">\$500</a> <sup>7</sup>	Use <a href="#">IRS Form 5695</a> Must be <a href="#">placed in service</a> before December 31, 2016.	The small wind energy system must be installed in the taxpayer's principal residence.
Fuel Cells	Residential Fuel Cell and Microturbine System	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.	Montana has no minimum fuel cell standards	30% of the cost, up to \$500 per .5 kW of power capacity	Cost up to <a href="#">\$500</a> <sup>7</sup>	Use <a href="#">IRS Form 5695</a> Must be <a href="#">placed in service</a> before December 31, 2016.	The fuel cell and microturbine system must be installed in the taxpayer's principal residence

<sup>1</sup> Either the 2001 Supplement of the 2000 International Energy Conservation Code or the 2004 Supplement of the 2003 International Energy Conservation Code.

<sup>2</sup> Subject to a \$1,500 maximum per homeowner for all improvements combined.

<sup>3</sup> A Manufacturer's Certification is a signed statement from the manufacturer certifying that the product or component qualifies for the tax credit. The IRS encourages manufacturers to provide these Certifications on their website to facilitate identification of qualified products. Taxpayers must keep a copy of the certification statement for their records, but do not have to submit a copy with their tax return.

<sup>4</sup> Additional information on exterior window features may be viewed at [Anatomy of an Energy Efficient Window](#).

<sup>5</sup> Biomass Fuel means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.

The IRS defines "[placed in service](#)" as when the property is ready and available for use.

<sup>6</sup> Subject to a \$500 annual maximum per taxpayer per building for all improvements combined.

<sup>7</sup> The alternative energy credits are allowed only for initial installations. No credit is allowed for repair, maintenance, or upgrades.